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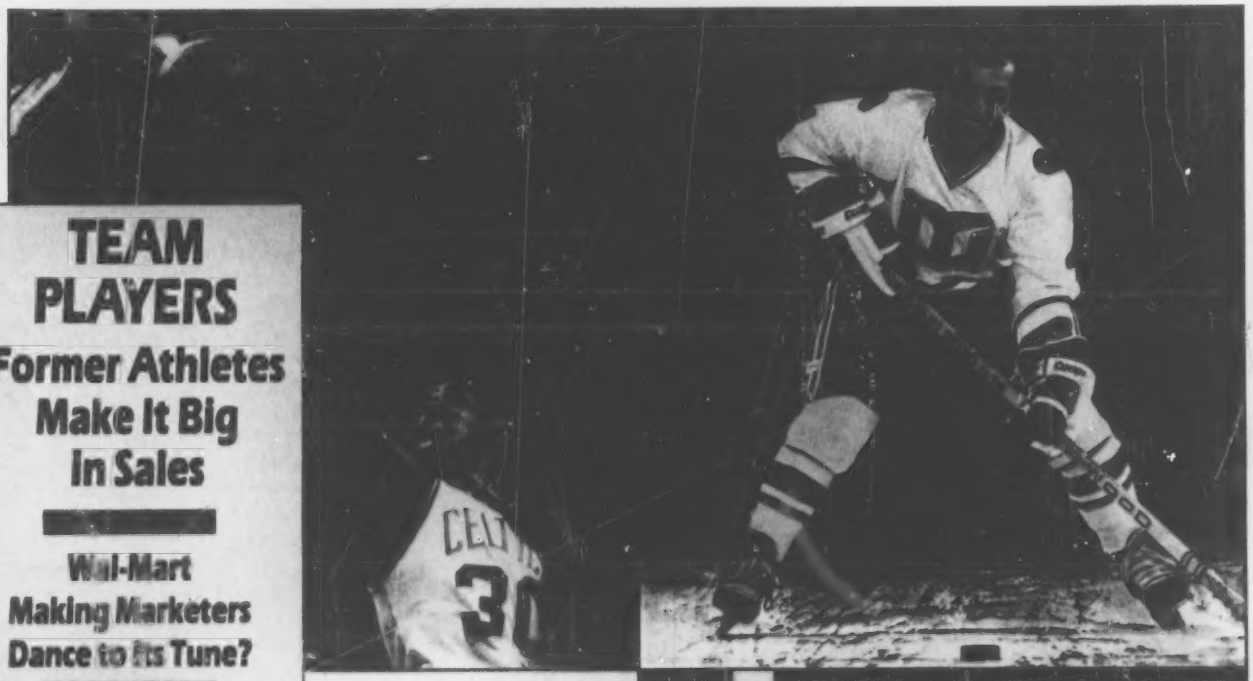
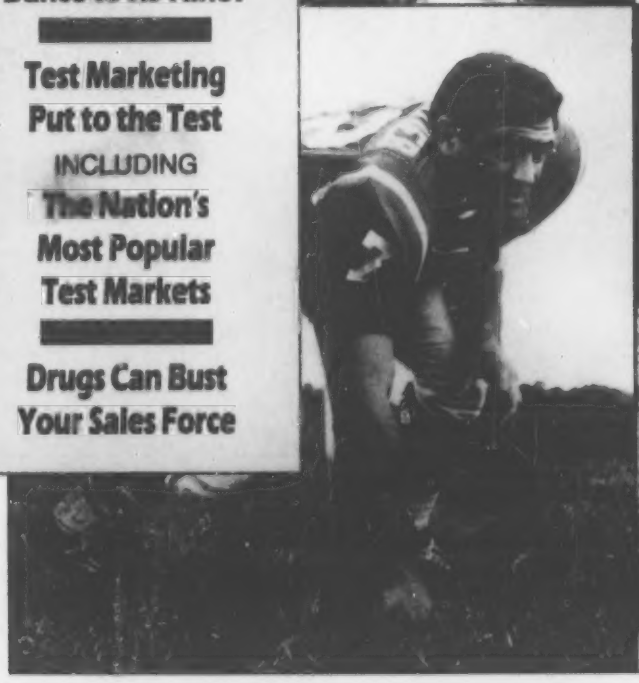


TEAM PLAYERS
Former Athletes Make It Big In Sales

Wal-Mart Making Marketers Dance to Its Tune?

Test Marketing Put to the Test
INCLUDING
The Nation's Most Popular Test Markets

Drugs Can Bust Your Sales Force



Sales and Marketing MANAGEMENT

Established 1918

Contents / March 1987

Short Takes
Sales Management

20
Outdoor advertising
Billboards: Signs of trouble

Multilevel marketing
The fall of USA

21
Selling out
Soft.Kat's founders become fat cats

S&MM salesgraph
Targeting the work-at-home market

23
New companies
Giving sales a big lift

Marketing Management

24
Newspapers
Give 'em a break

Congress
Advertising will be hot this year

Computer-assisted selling
Haggar gets H.O.T.

26
Industrial marketing
Closing the gap between R&D and marketing

27
Market highlight
Software drought stiffs marketing

28
Importing
Booze joins the gray market

29
Market expansion
A.B. Dick graduates

30
Industrial marketing
Chips ahoy

Features

38
Team players: Four former athletes make it big in sales
From running down opponents or loose balls to running down leads. Tales of ex-jocks who got their first taste of sales training on the playing field.

41
Wal-Mart's war on reps
The giant retailer has been waging a secret war on reps. Now, it's Rambo rep retaliation time!

44
Drugs can bust your sales force
Today, the three-martini lunch is out. The problem is, it's often replaced by something even more debilitating.

56
U.S.-Canada trade talks: Hands across the border
When—and if—an agreement can be reached, the establishment of a free-trade zone between Canada and the U.S. will take the sting out of current trade barriers.

65
Test marketing put to the test
A trio of case histories, as well as extensive listings of the nation's most popular test markets according to S&MM.

Newsletters

34
Industrial Newsletter

79
International Newsletter

33
Marketing Newsletter

Departments

111 Advertisers' Index
94 Advertising
13 Books
63 Changes in the News
105 Compensation
84 Computers in Sales & Marketing
10 Demographics in Action
4 Editor's Side Pocket
82 Ideas You Can Use
6 Letters to S&MM
62 Marketers, Et cetera
90 Meetings
80 On the Road
98 Promotion
23 S&MM Predicts
8 S&MM Viewpoint
102 Sales Force Management
110 Sales Mart
112 Significant Trends
52 Travellers' Network
115 Worth Writing For

M.L. Carr Basketball	Andre Lacroix Hockey
Larry Eisenhauer Football	Bob Aspromonte Baseball

Cover:
As any professional athlete will tell you, a career in sports can be cut short by many things: injuries, trades, changes in management, and—of course—time itself. This month, S&MM looks at how four former pros prepared for their second career—in sales and marketing.

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Selling out

Soft.Kat's founders become fat cats

In a matter of four short years Alan Gleicher has gone from a fledgling businessman who met potential clients at the airport rather than have them see his office—a friend's guesthouse and garage—to a rich young man who could, if he wished, retire to a life of loafing.

Gleicher, 34, is president of Soft.Kat, which he and his partner, 36-year-old Modie Katz, chairman and CEO, just sold to Baker & Taylor, a division of W.R. Grace. The sale price is confidential, but a year ago the Grace division, which distributes books, software, and videos, paid $4.2 million for a 39% stake in Soft.Kat. The Van Nuys, CA, distributor, which tallied sales of $35 million in 1986, is the largest purveyor of educational software in the country according to the Software Publishers Assn., Washington, DC.

The pair's decision to sell the company was forced by what Gleicher says was a need for further growth in a market that's becoming fiercely competitive.

"If we wanted to continue to be the largest distributor," he says, "we needed more sophistication in computer systems and on-line electronic distribution. That requires capitalization and systems experience we didn't have."

Gleicher and Katz have only themselves to blame—if that's the right word—for today's aggressive competition in educational software distribution. When they started Soft.Kat, very little educational software was available. There were less than a dozen publishers in the field and most retailers were blind to the potential of the market. But Soft.Kat's marketing proficiency changed all that. The company now distributes programs of more than 130 publishers to a network of 3,000 dealers.

Though the buyout has turned

S&MM salesgraph

Targeting the work-at-home market

Uppermost on the minds of many retailers at the recent Winter Consumer Electronics Show was how to sell to the work-at-home market now that it's shedding its swaddling clothes. Falling prices, hi-tech features, and product portability are enhancing the in-home sales prospects of a raft of electronic gear, including PCs, copiers, and fax machines. "Market growth is all in the marketing now," says Adam Levin of Mace Electronics and Computer Centers. "Technology has nothing to do with it." Members of a panel devoted to the market agreed that 1987 will see considerable experimentation in sales tactics, in-store displays, and advertising appeals.

The work-at-home market is becoming too large for retailers to ignore. A new Bureau of Labor Statistics (BLS) study reports that in May 1985, 2.2 million Americans worked exclusively at home, while another 1 million put in 35 hours or more per week on the home front. BLS also reported that 8.4 million persons worked at home for at least eight hours a week. Francis W. Horvath, BLS economist, notes the totals do not include persons working at home on a second job or business.

Marcia Kelly of Electronic Services Unlimited, a New York City consultant specializing in the telecommuting market, says 13.3 million persons in 10.6 million households worked at home last year. Some 58% of them, she adds, are self-employed.

Age profile of work-at-home market*

Age Group	Men Total (000)	Men %	Women Total (000)	Women %
16-24	195	4.3%	265	6.9%
25-34	1,220	26.6	1,144	29.9
35-44	1,471	32.1	1,189	31.1
45-54	925	20.2	712	18.6
55 or more	769	16.8	513	13.4
Total	4,580	100.0%	3,824	100.0%

*Persons working eight hours or more at home.
Source: Bureau of Labor Statistics

Needs of the teleworker

Work-at-home households (Mil.) '10.6 Product	Usage
Telephone	75.5%
Typewriter	66.1
PC: occasional use	65.1
PC: substantial use	18.9
Office furniture	55.8
Copier	7.0
Facsimile machine	2.0

Note: Pertains only to income-producing, work-at-home households.
Source: Electronic Services Unlimited, div. of Link Resources

ly to rely more on new products for their sales growth. The bad news is that the people responsible for developing new products—and those responsible for marketing them—often go their separate ways once their job is done.

"At many companies, nothing brings the two departments together," says Michael Duerr, author of the report, *The Commercial Development of New Products*. "They're viewed as having very different jobs."

Duerr says that the study does show that some companies have improved the relationship between R&D and marketing, resulting in more successful launches of new products, among other things.

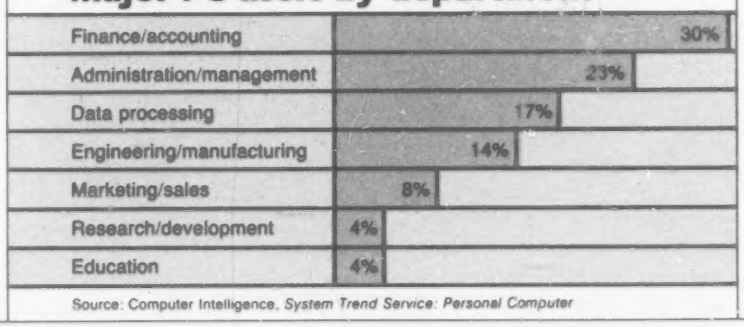
The techniques used to integrate these two areas can range from the informal (putting offices closer together) to the more structured (at-

Market highlight

Software drought stiffs marketing

PC usage in marketing departments is being held back by a lack of sales-oriented software. The latest update from a survey of 10,000 PC sites by Computer Intelligence (CI), the La Jolla, CA, research firm, finds 8% of respondents citing the sales/marketing department as a "major user" of PCs. Industry analyst Thomas Young expects the 8% figure to "rise significantly as sales-oriented applications become increasingly available."

Major PC users by department



Source: Computer Intelligence, *System Trend Service: Personal Computer*

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